Grant of Soft Loans to Andhra Pradesh

2046. SHRI K. KALAVENKATA RAO:
SHRI C. RAMACHANDRAIAH:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government of Andhra Pradesh has urged Central Government for consideration of one time grant of soft loan;

(b) if so, the details thereof and Government's reaction thereto; and

(c) the steps being taken by Government to improve the economy of the State Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) No request was received from Government of Andhra Pradesh for sanction of one time grant/soft loan. However on the the request of the State Government an additional market borrowing of Rs. 1200 crore has been allowed for bridge finacing on account of delay in obtaining Structural Adjustment Loan.

(c) Government of India is implementing a Debt Swap Scheme, beginning in this year for enabling States to prepay outstanding high cost Government of India loans and advances; The Government of Andhra Pradesh had agreed to participate in the Scheme and a sum of Rs. 827 crore has been allocated as Additional Market Borrowing to the State on this account. The Government of India has put in place the State's Fiscal Reform Facility 2000-01 to 2004-05 for incentivising States to draw up their Medium Term Fiscal Reform Programme (MTFRP) to address systematic issues underlying fiscal stress. The Government of Andhra Pradesh has drawn up its MTFRP in consultation with Ministry of Finance and a sum of Rs. 47.94 crore has been released to the State under Incentive Fund during 2001-02.